

REGISTERED OFFICE :
BHIKAJI CAMA PLACE, M.G. MARG,
NEW DELHI - 110066
TELEPHONE : 26791234
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CIN : L55101DL1980PLC011037
Website : www.asianhotelnorth.com
E-mail : investorrelations@ahlnorth.com



ASIAN HOTELS (NORTH) LIMITED

AHL/CS/1013/2023
9th November, 2023

Corporate Services Department
BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051
Symbol: ASIANHOTNR

Scrip Code/Scrip ID: 500023/ASIANHOTNR

Dear Sirs,

This is to inform you that the Board of Directors of the Company in its meeting held today i.e. 9th November, 2023 which commenced at 12.10 p.m and concluded at 12.30 p.m, approved the Un-audited Financial Results of the Company for the quarter and half year ended 30th September, 2023, copy of the said results along with Limited Review Report of the Statutory Auditors is enclosed herewith pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours faithfully,
For Asian Hotels (North) Limited

Farun Srivastava
Company Secretary & Compliance Officer



Encl: as above

OWNERS OF :



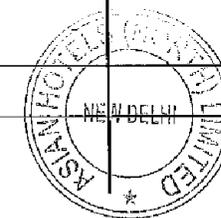
**HYATT
REGENCY**
DELHI

ASIAN HOTELS (NORTH) LIMITED
 (Owners of Hotel Hyatt Regency Delhi)
 Registered Office: Bhikalj Cama Place, M. G. Marg, New Delhi -110066
 CIN:L55101DL1980PLC011037
 Tel. 011-66771225/1226, Fax: 011 26791033, Email: Investorrelations@ahlnorth.com;
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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

(in Lakhs except for EPS)

Sr. No.	Particulars	Standalone						
		Quarter Ended		Half Year Ended		Year Ended		
		30-Sept-2023 (Unaudited)	30-June-2023 (Unaudited)	30-Sept-2022 (Unaudited)	30-Sept-2023 (Unaudited)	30-Sept-2022 (Unaudited)	31-March-2023 (Audited)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
	(Refer Notes Below)							
1	Income from Operations							
	a. Revenue from Operations	7,443.27	6,330.73	5,982.38	13,774.00	11,327.76	25,577.99	
	b. Other Income	(47.59)	64.49	16.67	16.90	30.63	166.58	
	Total Income from Operations	7,395.68	6,395.22	5,999.05	13,790.90	11,358.39	25,744.57	
2	Expenses							
	a. Cost of Materials Consumed	872.25	846.08	1,012.26	1,718.33	1,803.86	3,596.75	
	b. Employee benefits expenses	1,628.63	1,513.84	1,284.29	3,142.47	2,504.15	5,423.10	
	c. Finance Cost							
	i) Interest Expenses	3,169.40	2,905.03	2,808.25	6,074.43	5,566.57	10,859.35	
	ii) Loss / (gain) on foreign currency transactions and translations	58.69	(58.69)	535.44	-	849.91	923.13	
	d. Depreciation and amortization expenses	556.66	562.15	583.27	1,118.81	1,174.68	2,305.60	
	e. Other expenses	3,418.39	2,632.07	2,768.49	6,050.46	5,795.67	11,118.70	
	Total Expenses	9,704.02	8,400.48	8,992.00	18,104.50	17,694.84	34,226.63	
3	Profit/ (Loss) from ordinary activities before exceptional items and Tax (1-2)	(2,308.34)	(2,005.26)	(2,992.95)	(4,313.60)	(6,336.45)	(8,482.06)	
4	Exceptional Items	-	-	-	-	-	-	
5	Profit from ordinary activities before tax (3-4)	(2,308.34)	(2,005.26)	(2,992.95)	(4,313.60)	(6,336.45)	(8,482.06)	
6	Tax expense							
	a. Provision for taxation (net)	-	-	-	-	-	-	
	b. Earlier years tax provisions (written back)	-	-	-	-	-	-	
	c. Provision for Deferred Tax Liability / (Asset)	-	-	-	-	-	-	
7	Net Profit/(Loss) for the period (5-6)	(2,308.34)	(2,005.26)	(2,992.95)	(4,313.60)	(6,336.45)	(8,482.06)	
	Net profit / (loss) attributable to:							
	a. Owners	-	-	-	-	-	-	
	b. Non-controlling interest	-	-	-	-	-	-	
8	Other comprehensive income (expenses)						7.80	
	Other comprehensive income attributable to:							
	a. Owners	-	-	-	-	-	-	



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	b. Non-controlling Interest	-	-	-	-	-	-
9	Total other comprehensive income for the period	(2,308.34)	(2,005.26)	(2,992.95)	(4,313.60)	(6,336.45)	(8,474.26)
	Total other comprehensive income attributable to:						
	a. Owners	-	-	-	-	-	-
	b. Non-controlling Interest	-	-	-	-	-	-
10	Paid-up equity share capital (Face Value -- Rs.10/- each)	1,945.33	1,945.33	1,945.33	1,945.33	1,945.33	1,945.33
11	Reserves (excluding Revaluation Reserve)*	(26,113.76)	(26,113.76)	(18,580.38)	(26,113.76)	(18,580.38)	(26,113.76)
12	Earnings Per Share (of Rs. 10/- each) (not annualized):						
	- Basic (In Rs.)	(11.87)	(10.31)	(15.39)	(22.17)	(32.57)	(43.60)
	- Diluted (In Rs.)	(11.87)	(10.31)	(15.39)	(22.17)	(32.57)	(43.60)

* Balances for the quarter and half year ended September 30, 2023 and quarter ended June 30, 2023 represents balances as per the audited Balance Sheet for the year ended March 31, 2023 and balances for the quarter and half year ended September 30, 2022 represents balances as per the audited Balance Sheet for the year ended March 31, 2022 as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015

NOTES:

- The above results for the quarter and half year ended September 30, 2023 were reviewed by the Audit Committee and then approved by the Board of Directors at their respective meetings held on November 09, 2023.
- The above results have been prepared in accordance with the Companies [Indian Accounting Standards] Rules, 2015 [Ind AS] prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The format for above results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's circular dated July 5, 2016, Ind AS and Schedule III [Division II] to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- The Company operates only in one major reportable segment, i.e. Hospitality / Hotel Business. Other business segments i.e. power generation operations & Real Estate operations are governed by different set of risks and returns. However, the respective revenue streams and net profit / (loss) related to those segments though not material for disclosure purposes as separate reportable segment, but, as per condition laid down by Lenders of the Company in One Time Restructuring (OTR) Scheme requires a separate disclosure. Accordingly, in compliance with conditions laid down by the said lenders, the Company has done Segment reporting for Hospitality / Hotel Business, power generation operations & Real Estate operations.
- The figures of the quarter ended September 30, 2023 are the balancing figures between the figures upto half year ended 30th September, 2023 & published results upto 30th June, 2023.
- As a fallout of the COVID-19 in India in April 2020, the RBI had issued Resolution Framework for One Time Restructuring ("OTR"). In accordance to the same, the financial institution lenders (5 No.s) entered into a Inter-Creditor Agreement on 23rd December, 2020 invoking the resolution process. As per the Guidelines, once the resolution is invoked, it needs to be implemented within 6 months, i.e., by June 09, 2021. The OTR is for obtaining extension in repayment of principal, reduction in interest rates and conversion of accrued interest into Funded Interest Term Loans ("FITL").
- As per one of the lenders, the OTR is considered as not implemented. However, the Company has obtained stay over the same and that this issue is sub-judice before the High Court of New Delhi. The Company states that the OTR is implemented as per the August 2020 resolution framework of RBI. The Company has also argued that recovery actions of other lenders are inconsistent with Interim order passed by the Hon'ble Delhi High Court vide order dated 24/02/2022. Hon'ble Delhi High Court vide its order dated 02/03/2023 directed all lenders to comply with the order dated 24/02/2022 & stay all recovery actions till further decision.
- The Company has been unable to repay installments of secured loans (including overdraft facilities) due till September 30, 2023 and the matter is sub-judice before the High Court.
- The Company has been unable to repay amount due to unsecured lenders (ICD's) on account of non-receipt of the approval from the secured lenders.
- Assignment of Borrowings of the Company**
 - Credit facilities availed from IndusInd Bank Limited ("IBL") amounting to Rs. 126.84 Crores as on November 01, 2022 have been assigned by IBL to M/s Exclusive Capital Limited pursuant to the assignment agreement dated December 28, 2022.
 - Credit facilities availed from Yes Bank Limited ("YBL") as on November 30, 2022 have been assigned by YBL to JC Flower Asset Reconstruction Pvt. Ltd. pursuant to the assignment agreement dated December 16, 2022. The Company has challenged the said assignment and the matter is currently sub-judice; interest on such loans has been provided accordingly without taking into effect the said assignment.



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10 Status of CRE Sales

The Company had proposed sale of Rs. 72.35 Crore from the CRE component which could not be realized due to the non-receipt of the NOC from the lenders. Company had requested for the formal NOC from Banks vide letters dated March 14, 2022 (duly acknowledged by the Banks on March 29, 2022), however, no NOC was received except from one of the lenders, despite repeated reminders. Previously also, the Company received advance towards the Sale of CRE, however, the amounts had to be returned due to the non-receipt of the NOC from the lenders.

11 Current Status of Business Operations and Ability to Continuity as Going Concern

The Company's financial statements are prepared on a going concern basis, which contemplates the utilization of assets and the satisfaction of obligations in the normal course of business. The operating profitability for the Company is improving significantly and it will be further aided by several cost reduction measures being adopted by the Company. The Company is in amicable discussions with Banks and Financial Institutions, to resolve financial matters in the best interest for bankers as well as shareholders. The Management is confident that its planned financial settlement will enable the Company to continue as a going concern.

- 12 Deferred Tax Asset is not recognised during the financial year on additional timing differences following the concept of prudence. Further, Deferred Tax Assets created till March 31, 2020 have not been reversed as the Company had positive income from Business / Profession as per Income Tax workings for FY 2022-23 and also has made operational profits during Q1 & Q2 2023-24 and that the Management has drawn plans for further improving profitability including increase of profitability through business lines such as Commercial Real Estate Sales, infusion of funds etc and settlement with the lenders. Accordingly, recognition of any additional Deferred Tax Asset in future w.r.t losses under head Business / Profession for FY 2020-21 and FY 2021-22 shall be dependent on achieving / improving profitability in line with the relevant Accounting Standards. In case the standard is not met, the amount of Deferred Tax Asset outstanding in the books of account shall be reversed.
- 13 Loss/(Gain) on foreign currency transactions and translations' (if any) under 'Finance costs' represents exchange loss / (gain) on foreign currency borrowings to the extent that they are regarded as an adjustment to finance cost as per Para 6A(ii) of Ind - AS : 23 'Borrowing Costs'.
- 14 In respect of foreign subsidiaries, i.e., M/s Fineline Hospitality & Consultancy Pte Ltd. (FHCP) & M/s Lexion Hotels Venture Ltd., Mauritius (Lexion) an order for appointment of liquidator has been passed by the competent authority in Mauritius. As a result of the same, the Company has lost control of these entities. Accordingly, the Company will not be presenting Consolidated Financial result for September 30, 2023.
- 15 The Company has not given any corporate guarantee for the loans availed by its subsidiaries as at September 30, 2023.
- 16 The Company has not provided for Commitment charge amounting to Rs. 377.63 Lakhs for half year ending September 30, 2023 In respect of Space Buying Agreement signed with various parties as the Company is confident of securing waivers / settlement from them for the same.
- 17 Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

For Asian Hotels (North) Limited



ASHISH DHANUKA
Executive Director and
Chief Financial Officer
DIN: 07220876



AMRITESH JATIA
Chairman & Managing Director
DIN: 02781300



Place: New Delhi
Date: 9th November, 2023

ASIAN HOTELS (NORTH) LIMITED
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Standalone statement of assets and liabilities as at 30th September, 2023

(Rs. In Lakhs)

Particulars	Standalone	
	As on 30th September, 2023	As on 31st March, 2023
	Unaudited	Audited
ASSETS		
NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	144,519.32	145,652.39
(b) Capital Work in Progress	104.15	104.15
(c) Intangible Assets	-	-
(d) Financial Assets		
(i) Investments	-	-
(ii) Loans	11.30	13.38
(iii) Others	379.47	379.47
(e) Deferred Tax Assets (Net)	3,857.37	3,857.37
(f) Other Non-Current Assets	1,137.65	907.19
	150,009.26	150,913.95
CURRENT ASSETS		
(a) Inventories	975.08	918.82
(b) Financial assets		
(i) Trade Receivables	13,236.63	1,615.38
(ii) Cash and Cash Equivalents	2,616.79	1,891.12
(iii) Bank Balance other than (ii) above	69.49	69.49
(iv) Others	518.82	377.20
(c) Other current assets	1,418.81	1,476.63
	18,835.62	6,348.64
TOTAL ASSETS	168,844.88	157,262.59
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share capital	1,945.32	1,945.32
(b) Other Equity	9,980.00	14,293.60
(c) Non-controlling Interests	-	-
	11,925.32	16,238.92
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	75,544.16	79,559.93
(ii) Other Financial Liabilities	53.16	53.30
(b) Provisions	302.56	302.56
(c) Other Non-Current Liabilities	-	-
	75,899.88	79,915.79
CURRENT LIABILITIES		
(a) Financial Liabilities		
(i) Borrowings	31,469.91	28,606.86
(ii) Trade Payables		
(A) total outstanding dues of micro enterprises and small enterprises; and	197.94	149.48
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	8,357.93	8,389.81
(iii) Other Financial Liabilities	18,732.93	12,768.99
(b) Other Current Liabilities	22,185.83	11,117.60
(c) Provisions	75.14	75.14
	81,019.68	61,107.88
	168,844.88	157,262.59



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Unaudited statement of Cash Flow Statement for the half year ended as at 30th September, 2023

(Rs. In Lakhs)

Particulars	Standalone	
	Period ended 30th September, 2023	Period ended 30th September, 2022
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) Before Tax for the period	(4,313.60)	(6,336.45)
Adjustments for:		
Depreciation and amortization	1,118.81	1,174.68
Interest and finance charges	6,074.43	6,416.48
Interest income	(2.38)	(12.84)
(Gain)/Loss on fixed assets sold/ discarded (net)	1.39	-
Net unrealized (gain)/loss on foreign currency transaction and translation (relating to other heads)	283.52	1,086.64
Provision for Impairment of Investment in subsidiary		
Provision for bad & doubtful debts/advances (written back)	(14.13)	14.49
Excess Provisions / Liability no longer required written back	(14.38)	(11.10)
Operating Profit before Working Capital Changes	3,133.66	2,331.90
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	(11,688.85)	(1,062.22)
(Increase)/decrease in Inventories	(56.26)	(155.79)
Increase/(decrease) in trade payables, other liabilities and provisions	11,238.20	778.79
Cash Generated from Operations	2,626.75	1,892.68
Income taxes (Net)	(230.46)	(146.49)
Net Cashflow from Operating Activities	2,396.29	1,746.19
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(50.66)
Additions in capital work in progress	-	(25.50)
Proceeds from sale of fixed assets	12.87	-
Investments in bank deposits (with original maturity over 3 months)	-	-
Proceeds from bank deposits (with original maturity over 3 months)	-	-
Interest received	2.38	2.79
Net Cashflow from Investing Activities	15.25	(73.37)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings		
Receipts	-	-
Payments	(1,609.62)	(29.61)
Proceeds from short term borrowings		
Receipts	-	654.24
Payments	(25.28)	(459.30)
Interest and finance charges	(50.98)	(1,698.85)
Net Cashflow from Financing Activities	(1,685.87)	(1,533.52)
Net unrealized (gain)/loss on foreign currency transaction and translation (relating to other heads)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	725.66	139.30
Cash and Cash Equivalents at the beginning of the year	1,891.12	141.04
Cash and Cash Equivalents at the end of the year	2,616.79	280.34



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Segment Revenue, Results, Segment Assets and Segment Liabilities

(In Lakhs)

Sr. No.	Particulars	Quarter Ended			Half Year Ended	
		30-Sept-2023 (Unaudited)	30-June-2023 (Unaudited)	30-Sept-2022 (Unaudited)	30-Sept-2023 (Unaudited)	30-Sept-2022 (Unaudited)
	(2)	(3)	(5)	(4)	(6)	(7)
1	Segment Revenue					
	a. External Sales					
	- Hotel Business	7,370.40	6,274.89	5,928.98	13,645.29	11,224.01
	- Power generation operations	-	-	-	-	-
	- Real Estate Operation	72.88	55.83	53.41	128.71	103.76
	Total (a)	7,443.28	6,330.73	5,982.39	13,774.00	11,327.77
	b. Other Operating Income					
	- Hotel Business	(47.59)	64.49	16.66	16.90	30.62
	- Power generation operations	-	-	-	-	-
	- Real Estate Operation	-	-	-	-	-
	Total (b)	(47.59)	64.49	16.66	16.90	30.62
	Total Revenue (a+b)	7,395.68	6,395.22	5,999.05	13,790.90	11,358.39
2	Segment Expenses					
	- Hotel Business	6,352.62	5,413.29	5,516.50	11,765.90	10,963.36
	- Power generation operations	20.06	20.06	19.57	40.11	40.12
	- Real Estate Operation	103.25	120.80	112.26	224.05	274.88
	Total Segment Expenses	6,475.93	5,554.15	5,648.33	12,030.07	11,278.36
3	Finance cost					
	- Hotel Business	2,265.15	1,997.27	2,204.76	4,262.43	4,235.53
	- Power generation operations	-	-	-	-	-
	- Real Estate Operation	962.94	849.06	1,138.92	1,812.00	2,180.95
	Total Finance Charges	3,228.09	2,846.34	3,343.68	6,074.43	6,416.48
4	Segment Results					
	- Hotel Business	(1,294.97)	(1,071.18)	(1,775.62)	(2,366.14)	(3,944.26)
	- Power generation operations	(20.06)	(20.06)	(19.57)	(40.11)	(40.12)
	- Real Estate Operation	(993.32)	(914.03)	(1,197.77)	(1,907.34)	(2,352.07)
5	Profit before Income Tax	(2,308.34)	(2,005.26)	(2,992.96)	(4,313.60)	(6,336.45)
6	Income tax Expenses	-	-	-	-	-
7	Profit After Income Tax	(2,308.34)	(2,005.26)	(2,992.96)	(4,313.60)	(6,336.45)
8	Segment Assets					
	- Hotel Business	153,473.69	152,793.01	140,128.62	153,473.68	140,128.62
	- Power generation operations	587.93	607.98	668.15	587.93	668.15
	- Real Estate Operation	14,783.26	14,860.66	15,199.06	14,783.26	15,199.06
	Total Segment Assets	168,844.88	168,261.66	155,995.83	168,844.87	155,995.83
9	Segment Liabilities					
	- Hotel Business	163,823.55	163,256.02	150,931.94	163,823.54	150,931.94
	- Power generation operations	52.90	52.90	97.90	52.90	97.90
	- Real Estate Operation	4,968.43	4,952.74	4,966.00	4,968.43	4,966.00
	Total Segment Liabilities	168,844.88	168,261.66	155,995.84	168,844.87	155,995.84



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Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors of
Asian Hotels (North) Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Asian Hotels (North) Limited (the "Company") for the quarter and half year ended on September 30, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. **Emphasis of Matter**

(i) **One Time Restructuring, Status of Repayments and Loan Recall Notices:**

- We draw attention to Note 5 to 8 to the Financial Results relating to One Time Restructuring & Status of Repayments. As a fallout of the COVID-19 in India in April 2020, the RBI had issued Resolution Framework for One Time Restructuring. In accordance to the same, the financial institution lenders (5 Nos.) entered into an Inter-Creditor Agreement on December 23, 2020 invoking the resolution process. As per the Guidelines, once the resolution is invoked, it needs to be implemented within 6 months, i.e., by June 09, 2021. As per the terms of the One Time Restructuring, the Company was required to infuse additional funds by way of CRE Sales and also equity investment. However, the Company was unable to do either and the matter is now sub-judice before the High Court of New Delhi.
- Accordingly, the Company has been unable to repay Installments due till September 30, 2023 as per OTR Sanction letter issued by the respective banks amounting to Rs. 14,791.47 Lakhs (in aggregate for all secured lenders taken together) and interest payment amounting to Rs. 13,199.61 Lakhs (in aggregate for all Secured lenders taken together) due to inability to monetize CRE Assets located in hotel premises. In addition, Overdraft Facilities are outstanding as on September 30, 2023 worth Rs. 6132.27 Lakhs.
- The Company has been unable to repay amount outstanding as at September 30, 2023 amounting to Rs. 1269.09 Lakhs towards unsecured lenders (ICD's) on account of non-receipt of the approval from the secured lenders.
- The account of the Company has been marked as NPA by all the lender banks, but, the Company is not in agreement to the same as the lender banks did not implement the OTR by not providing the required NOC and loan recall actions which prevented the equity infusion.
- As per Note 6 to the Financial Results, as per one of the lender banks, the OTR is considered as not implemented. However, the Company states that the OTR is implemented. The Company has also argued that recovery actions of other lenders are inconsistent with Interim order passed by the Hon'ble Delhi High Court vide order dated 24/02/2022. Hon'ble Delhi High Court vide its order dated 02/03/2023 directed all lenders to comply with the order dated 24/02/2022 & stay all recovery actions till further decision.



(ii) Assignment of Borrowings of the Company

We draw attention to Note 9 to the Financial Results wherein it is specified that the loans granted by two lenders have been assigned to asset reconstruction companies. Assignment made by one of the lenders has been challenged by the Company before the Hon'ble High Court and that interest provisioning is made accordingly without taking into effect of such assignment.

(iii) Current Status of Business Operations and ability to continue as a Going Concern

We draw attention to Note 11 to the Financial Results. The Company's financial statements are prepared on a going concern basis, which contemplates the utilization of assets and the satisfaction of obligations in the normal course of business. The operating profitability for the Company is improving significantly and it will be further aided by several cost reduction measures being adopted by the Company. The Company is in amicable discussions with Banks and Financial Institutions, to resolve financial matters in the best interest for bankers as well as shareholders. The Management is confident that its planned financial settlement will enable the Company to continue as a going concern.

Above factors and expected future improvement in business operations and resolution on the final payment terms with the lenders will be critical for the Company to continue as a Going Concern.

(iv) Loss of control over Foreign Subsidiaries

We draw attention to Note 14 to the Financial Results. In respect of foreign subsidiaries, i.e., M/s Fineline Hospitality & Consultancy Pte Ltd. (FHCPL) & M/s Lexon Hotels Venture Ltd., Mauritius (Lexon) notice for appointment of liquidator has been accepted by the competent authority in Mauritius. As a result of the same, the Company has lost control of these entities. Accordingly, the Company will not be presenting Consolidated Financial results for Quarter ending September 30, 2023.

(v) Deferred Tax Assets

We draw attention to Note 12 to the Financial Results. Deferred Tax Asset is not recognised during the financial year on additional timing differences following the concept of prudence. Further, Deferred Tax Assets created till March 31, 2020 have not been reversed as the Company had positive income from Business / Profession as per Income Tax workings for FY 2022-23 and also has made operational profits during Q1 & Q2 2023-24 and that the Management has drawn plans for further improving profitability including increase of profitability through business lines such as Commercial Real Estate Sales, infusion of funds etc and settlement with the lenders. Accordingly, recognition of any additional Deferred Tax Asset in future w.r.t losses under head Business / Profession for FY 2020-21 and FY 2021-22 shall be dependent on achieving / improving profitability in line with the relevant Accounting Standards. In case the standard is not met, the amount of Deferred Tax Asset outstanding in the books of account shall be reversed.



(vi) **Commitment Charges**

We draw attention to Note 16 to the Financial Results. The Company has not provided for Commitment charge amounting to Rs. 377.63 Lakhs for the half year ending September 30, 2023 in respect of Space Buying Agreement signed with various parties. As informed to us, the Company is in the process of securing waivers and confident of settlement. This will be an ongoing evaluation and based on the outcome of the settlement with the respective parties additional provisioning may be required to be done in the future.

Our opinion is not modified in respect of the above matters (i) to (vi).

For, V.V.Kale and Company
Chartered Accountants
FRN: 000897N



Vijay V. Kale
Partner

Membership No: 080821
UDIN: 23080821BGUXVP4942

Place: New Delhi
Date: November 09, 2023